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Economic Progress in Philippines Last Year Revealed in Report to Governor Wood*

Improved business conditions in the Philippines are cited in the annual report of Acting Secretary of Finance Unson to Governor General Leonard Wood. Production of basic crops was larger in 1924 than in the previous year; increases being registered by hemp, sugar and tobacco. The report signalizes the fact that fiscal exchange in the Islands has been stabilized since the establishment of the Gold Standard Fund and the Treasury Certificate Fund under the Administration of Governor General Wood.

The major portion of the foreign trade of the Philippines is still carried in American bottoms, the report states. Sugar exports are recorded as being worth \$41,868,086, as compared with \$34,519,123 during the previous year; hemp exports representing 22 per cent of the insular exports went up to \$29,950,458 as compared with \$24,951,575. Coconut exports increased from \$14,066,582 to \$28,811,030.

In the report the figures given in pesos are changed into dollars.

The report says:

"Continuous improvement in the economic conditions of the Islands over the preceding year due to greater advances in practically all branches of business activity features the business season during the year 1924. The country is evidently on the threshold of a new era of prosperity and the outlook for a broad and substantial economic revival is more favorable now than at any time since the termination of the world war.

"The production of the basic crops has been larger than that of the previous year. Hemp, sugar and tobacco registered increases, but rice, because

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* Past experience with financial statistics prepared by Filipinos has shown that the figures are frequently inaccurate and unreliable. Nevertheless, the above article is of sufficient interest to warrant its publication, with this reservation, and the conclusions are undoubtedly sound.

\$1,000,000 Issue of 5% Philippine Bonds Well- Received Here

The new \$1,000,000 issue of Philippine Government 5 per cent gold bonds has been well-received by the American public. The proceeds of the bonds are to be used in the purchase of an equivalent amount of first mortgage bonds of the Metropolitan district of Manila, which furnishes water and sewer service to the city, and adjacent towns.

The bonds are exempt from Federal, State and Philippine taxation. They mature April 1, 1955. The Treasury Department authorizes the statement that the bonds are acceptable at par under its regulations as security for deposits of regular money.

In view of the comparatively high rates of interest that some of the principal powers have to pay for loans, it is very evident that the Philippines have been able to secure this loan at the low rate of 5 per cent because of the backing of the United States.

Philippine Facts Before Occupation by the United States

I. Dependency on some stronger power has characterized the Filipino people from the beginning of their history to the present time.

From 200-1325, A.D., they were subject to various Hindu-Malayan empires in Indo-China, Sumatra and Borneo;

From 1325-1405, A.D., they were a dependency of the Javanese empire of Madjapahit;

From 1405-1440, A.D., they were governed by China;

From 1440-1565, A.D., Northern Luzon was subject to Japan, and the Islands from Manila south were subject to Mohammedan Borneo;

From 1565-1762, A.D., they were a dependency of Spain through Mexico;

From 1762-1763, A.D., they were under the rule of England, but were restored to Spain by the treaty ending the Seven Years' War;

From 1763-1898, A.D., they remained under Spanish rule, through Mexico until 1821, afterwards as direct dependents of Spain.

II. From their earliest days the Filipinos have been divided into many tribes, antagonistic to each other, speaking different dialects and apparently incapable of effective union either for offense or defense.

They comprise at least 43 tribes (H. Otley Beyer, Professor of Anthropology at the University of the Philippines, places the number at 87) and speak 87 distinct dialects. Over 90 per cent of the Filipinos are Malay. About 8 per cent are of mixed blood, principally Chinese, with considerable Spanish and

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Economic Progress Reported

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of adverse weather conditions at the time of planting, did not measure up to its former level, while cocoanuts and the rest gave a fairly good yield. Hemp increased 13 per cent; maguey, 45 per cent; cocoanut oil, 11 per cent; copra, 7 per cent; and tobacco, 18 per cent. The prices of these commodities were generally maintained, except in sugar, which declined to an appreciable extent. This decline, however, was compensated by the increase in production.

Trade Since American Occupation

"With the exception of the banner year of 1920, when the total trade of the Philippine Islands exceeded three hundred million dollars, the year 1924 returned larger trade than any other year since the American occupation. The value of our trade for 1924 reached \$243,355,552, as compared with \$208,252,737 for the previous year. Our imports for the year under review totaled \$108,010,895, while our exports exceeded this value and amounted to \$135,344,662. The balance of the trade is therefore in favor of the Islands, the same as in the two preceding years.

Increased Foreign Trade

"The general prosperity of trade enjoyed by the Islands in the business relations with foreign countries is shown by the fact that many of them have registered larger returns than the previous year. As usual, the largest portion of our trade was with the United States, 64 per cent thereof having been with that country followed by the United Kingdom and Japan, 6 per cent each, and by China and the French East Indies, 4 per cent each.

"While comparatively there were more countries with recorded individual trade balances favorable to them and against the Islands, the total balance of trade is favorable to the Islands and against most of the countries which shared the largest volume of our commerce. The total value of our imports from the United States is less than that of our products sent to the markets of that country. The same is true with respect to the United Kingdom, Spain, Germany, France, Hongkong, Netherlands, Italy, Belgium and Canada. However the balance of trade is against the Islands with respect to the following countries: Japan, China, French East Indies, Dutch East Indies, Australia, British East Indies, Switzerland

and others, the commerce of which is relatively small.

American Ships Still Lead

"The American vessels have maintained their lead in the carrying of the Islands' foreign trade during the year under review and as in the preceding year the British ships took the second place. The Japanese vessels came back again as third after suffering defeat from the Dutch boats last year. The most notable, however, was the increased activity of the German vessels in carrying the Islands' foreign trade. From a total of \$2,775,280 worth of goods carried by these vessels in 1923, it has risen to \$5,428,825 in 1924.

Exports to U. S.

"Seventy-two per cent of the articles exported from the Islands went to the United States. In the order of their importance as to the value, the principal products exported during 1924, were sugar, hemp, cocoanut oil, copra, tobacco products, embroideries, maguey, lumber, copra cake, meal and hats. With the exception of copra, tobacco products and embroideries, all of these articles showed an increase over similar items in 1923.

"In spite of the great fall in the price of sugar toward the end of the year 1924, the value of the exports reached \$41,868,086, as compared with \$34,519,123 in 1923, or an increase of 21 per cent. This represented 31 per cent of the Islands' total exports. Almost all of the centrifugal and refined sugar went to the United States, while the largest portions of the muscavado were distributed among China, Hongkong and Japan.

Importance of Hemp

"Hemp, the second largest item of exports, represented twenty-two per cent of the Islands' total exports. The value of the shipment abroad during the year was \$29,950,458, as compared with \$24,951,575 in 1923, or an increase of twenty per cent. About one-half of our hemp exports went to the United States, 23 per cent to the United Kingdom, and 11 per cent to Japan. Higher prices prevailed in the fibre market during the year 1924; although the quantity of hemp exports decreased in 1924 as compared with 1923, the value was greater.

"The exportations of cocoanut oil increased from \$14,066,582 in 1923 to \$18,811,030 in 1924, or 34 per cent, and 99 per cent of these went to the United States."

Pre-Occupation Facts

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other European strains. The remainder are aboriginal Negritos.

III. At the time when the Philippine Islands were ceded to the United States, and the same thing is true today, they were sparsely settled, although close to the most densely populated countries in the world.

As compared with less than 95 persons to the square mile in the Philippines, there are today, approximately 392 to the square mile in Japan, 454 in the coastal provinces of China, and 720 in Java.

Mindanao, Palawan and Mindoro, perhaps the richest islands in the group in natural resources, are practically unpopulated. In an area of 44,170 square miles the total population is less than 750,000.

IV. While the mineral and forest wealth and the agricultural opportunities of the Philippines make them beyond doubt the most valuable tropical islands in the world, up to the time of American occupation their resources had been developed only on the smallest and most insignificant scale.

Even today, food products amounting to millions of dollars are imported annually.

V. Prior to the American occupation intercourse between the widely separated islands was of the most limited character, an additional and fatal obstacle to development of any approximation to a national spirit, or even a common understanding.

VI. The first attempt on the part of Spain to establish any sort of a system of public schools in the Philippines, was in 1863. And even today, in spite of American educational efforts, the great body of Filipinos have virtually no real knowledge of the world outside of their own individual islands.

VII. The exposed position of the Philippine Islands, the wide extent of their coast line, the sparse number of their inhabitants, the divided front which they have always presented to outsiders, and their immense undeveloped wealth, have made them, throughout the centuries, a coveted object of attack and economic invasion by their ambitious and more progressive neighbors.

That the immemorial divisions among the inhabitants of the Philippines still persist is illustrated by the persistent petitions from millions of Moros and hill people that the United States do not desert them.

